

WATER BONDS WILL NOT INCREASE TAXES ONE CENT

And Lower Rates For Water Service Will Be Possible
Than Under Ownership by Private Company

When you go to the polls next Monday, November 26th, to vote on the proposed purchase by the city of the water system from the Torrance Water, Light and Power Company, there are four important things to remember:

1st That the \$130,000 Worth of Bonds for the Purchase of the Water System and the \$10,000 for Extensions and Working Capital Will NOT INCREASE YOUR TAXES ONE PENNY.

BECAUSE:-

All such bonds that are issued for the purchase of income producing property, like the water system, are paid for out of the earnings of the property.

The savings effected by municipal ownership will more than meet the interest on the bonds and the annual payments to retire them.

In other words, the City is merely guaranteeing the payment of the money borrowed on the bonds, just like you would endorse a note for a friend.

2nd That the Cost of Operating the Water System by the City of Torrance Will Be Much Less Than by a Privately Owned Corporation.

BECAUSE:-

A City pays no taxes, whereas a private corporation must pay city taxes, state taxes, and Federal income taxes. All this is eliminated as soon as the City buys the water system.

The present owners of the water system are now borrowing money on the property and paying 7 per cent interest; whereas, the City of Torrance can borrow money to pay for the water system on bonds bearing interest of only 4½ to 5 per cent, effecting a saving of at least 2 per cent a year.

3rd Municipally Owned Water Systems Have Been a Success All Over the Country.

BECAUSE:-

The expense of operating is always in proportion to the amount received and there is no danger of any overhead expenses eating up the profits in dull times. If less water is used, less water is bought and fewer employes are needed, and all operating expenses are lessened in proportion.

4th The Price Is Right and the City Must Buy at This Price, Now or Never.

BECAUSE:-

The engineers established a book cost of the physical assets of the system in 1922 as \$176,350.00; and since that time there have been considerable extensions and improvements. But in spite of this fact, the Water Company has offered to sell the system to the city for \$130,000.

**MONDAY IS THE DAY
VOTE "YES" FOR THE WATER BONDS
IT'S GOOD BUSINESS AND ECONOMY
There Is Everything to Win and Nothing to Lose**